

*REMARKS/ARGUMENTS*

In response to the Office Action mailed October 3, 2007, Applicant amends his application and requests continued examination. In this Amendment all claims previously examined are cancelled in favor of new claims 25-31.

Applicant brings to the Examiner's attention his U.S. Patent 6,965,317, and U.S. Patent 7,061,384, resulting from a continuation application based upon the previously mentioned patent. Both of these issued patents are commonly assigned with the present patent application and have the same effective U.S. filing date as the present patent application.

New claim 25 is the sole pending independent claim. That claim is fully supported by the application as filed. New claim 25 includes portions of former claims 1, 13, and 18 describing a tag attached to an article and a plurality of detectors. Further, new claim 25 describes the positional information management system as being located in a hotel and describes the computer network that is part of the positional information management system. This description is supported by Figure 2 of the patent application and the corresponding description at pages 19 and 20 of the patent application.

Further, new claim 25 describes the feature of the invention in which a customer of the hotel, to whom a house card has been issued, can search for the location within the hotel of his article that has attached to it a tag according to the invention, from any of the card readers located within the hotel. This search feature of the invention is described at pages 36-41 of the patent application, particularly in conjunction with the two flow charts shown as Figure 14 of the patent application. This description also supports new claim 31 which provides an alternative basis for initiating, from a card terminal, a search for the position of an article to which a tag has been attached. With respect to the house card described in claim 25, attention is

directed to the description from page 1, line 25 through page 2, line 14 of the patent application, in combination with the description at page 19, lines 14-20 and the previously cited description at pages 36-41.

New dependent claims 26-30 are derived from claims formerly examined, for example, claims 19, 14, 15, 23, and 24.

There were two fundamental rejections in the previous Office Action. The first rejection alleged that the former claims mixed two different statutory classes of subject matter, namely methods and apparatus. This rejection is erroneous for the reasons already submitted. First, the rejection is contrary to years of practice in the U.S. Patent and Trademark Office and instructions in the Manual of Patent Examining Procedure. Second, the rejection reflects the misinterpretation within the U.S. Patent and Trademark Office of the prohibition of including within claims two different statutory classifications of subject matter, as recently clarified by the Court of Appeals for the Federal Circuit. Third, the position is contrary to a growing body of case law, applying the recent Federal Circuit opinion. See *Yodlee, Inc. v. CashEdge, Inc.*, 84 USPQ2d 1594, 1597-99 (N.D. Cal. 2006) and *Collaboration Properties, Inc. v. Tandberg ASA*, 81 USPQ2d 1530 (N.D. Cal. 2006). A copy of the former opinion is attached for the Examiner's convenience. Applicant renews and maintains the full previous response to this rejection and reserves the right to raise again each point previously raised in the event of an appeal encompassing this issue. Nevertheless, to advance the prosecution of the patent application, the different language appears in the claims now presented.

The previous claims were all rejected as anticipated by or obvious over Shore (U.S. Patent 6,225,906). These rejections are inapplicable to any claim now pending.

As agreed, Shore describes a system in a hospital for tagging patients so that the movements of patients can be determined within the hospital facility. The tags are read at various locations within the hospital so that movements of individual patients

can be tracked at a central location, improper transport of patients can be detected, and the trespassing of patients into secure areas can likewise be detected.

The invention, particularly as described by the claims now presented, pertains to a hotel rather than a hospital, and potentially a hotel including casino services as well as conventional hotel services such as lodging, restaurants and bars. In the hotel, guests are issued a house card used to pay for various services. The payment may be made using the card at various locations in the hotel at card readers for reading the house cards. The card readers are dispersed at various locations throughout the hotel, particularly where services are provided.

Unlike the system in Shore, articles, i.e., personal property, brought into the hotel, not hotel guests, have tags affixed. The tags include integrated circuits and exchange information with various detectors that are dispersed throughout the hotel. The detectors interact with the tags, reading the tag IDs, and supply information concerning the location of the detection of each tag and the time of detection to a central control computer. When an article becomes lost or mislaid, a guest of the hotel who has a house card can simply go to the nearest card reader and search for the article. After authentication of the house card and input into the card reader of the tag ID, or other identifying information for the article, the computer system, which interconnects the detectors and the card readers, conducts a search of the recorded position and time information for the article having the specified tag ID. The most recent location of the article is determined from the stored records and supplied to the card terminal where the request for positional information was input. Instead of inputting the tag ID, the name of the customer to whom a house card has been issued may be input to initiate the search. The computer network relates the name to a tag ID to begin the search.

Shore describes nothing similar to the ability of a hotel guest to conduct a search at numerous convenient locations throughout the facility. It would be the antithesis of the Shore hospital system to issue each of the customers, i.e., patients, a

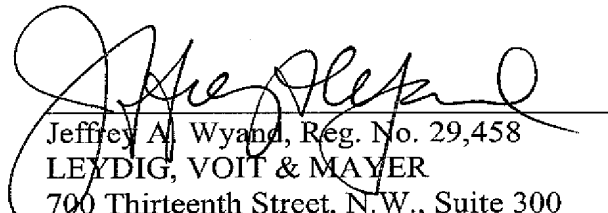
house card, so that the patient could, at his desire, go to a nearby terminal and find the location of another patient in the hospital. Accordingly, it is apparent that Shore cannot be applied, as previously applied, to reject any claim now pending.

According to claim 26, the tag comprises a detachable sticker. Such stickers are easily applied to articles upon the entry and registration of a hotel guest, i.e., upon checking in. This kind of tag ID is neither disclosed nor suggested by Shore. In fact, the Shore tag includes a selectively lockable latch, presumably to prevent a hospital patient from easily removing the tag. That kind of tag, with a locking latch, would be totally inappropriate in a hotel situation because of the time required to attach and detach the tags upon check-in and check-out by guests. The associated delays irritate hotel guests attempting to check in and/or check out as well as other guests whose own checking in and checking out activities are thereby delayed. In other words, the tag described in claim 26 is different not only in structure from the tag described in Shore, important advantages are achieved by using a tag that is a detachable sticker.

Claim 26 should be allowed independent of the action taken with respect to claim 25.

Reconsideration and allowance of claims 25-31 are earnestly solicited.

Respectfully submitted,



Jeffrey A. Wyand, Reg. No. 29,458  
LEYDIG, VOIT & MAYER  
700 Thirteenth Street, N.W., Suite 300  
Washington, DC 20005-3960  
(202) 737-6770 (telephone)  
(202) 737-6776 (facsimile)

Date: December 11, 2007  
JAW:ves

The court recognizes that this decision reaches a somewhat anomalous (and, from Visto's perspective, perhaps an undesirable) result. RIML and RIMC filed two suits in this forum that will now be dismissed and likely refiled in the Eastern District of Texas. Visto, who has been haled into this forum, will now have declaratory judgment counterclaims pending here concerning the '694 patent and the '457 patent. These counterclaims may, of course, be subject to dismissal. In the court's July 11, 2006 order, it declined to hear RIML and RIMC's declaratory judgment actions for patent invalidity and noninfringement because they were also pending as compulsory counterclaims in an earlier-filed suit in the Eastern District. If RIML and RIMC refile these claims in the Eastern District, Visto will probably assert the same or similar counterclaims there. But if this court does not dismiss the counterclaims, Visto will likely be realigned as the plaintiff in litigation it did not initiate and in a forum it did not select. If some or all these odd consequences occur, they are the result of the fact that Visto will not suffer plain legal prejudice from the dismissal of RIML and RIMC's claims and of Visto's objection to dismissal of its counterclaims. While Visto may now wish to seek dismissal so that its counterclaims can be litigated in the Eastern District, the court will not compel it to do so where, as here, it was within its rights under Rule 41(a)(2) to object to RIML and RIMC's motion.

Accordingly, the court grants RIML and RIMC's Rule 41(a)(2) motion to the extent it dismisses without prejudice their remaining claims. Visto's declaratory judgment counterclaims remain pending in this court.<sup>4</sup>

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For the reasons set out, Visto's July 10, 2006 motion to dismiss for lack of subject matter jurisdiction is denied, plaintiffs' July 26, 2006 motion to transfer this case to the Eastern District of Texas under 28 U.S.C. § 1404(a) is denied, and their alternative motion to dismiss these cases without prejudice under Rule 41(a)(2) is granted as to their claims and denied as to Visto's counterclaims.

**SO ORDERED.**

<sup>4</sup> Visto requests in the alternative that, if the court dismisses plaintiffs' claims, it condition dismissal on the requirement that they refile in this district. The court denies this request under the circumstances of this case.

## Yodlee Inc. v. CashEdge Inc.

U.S. District Court  
Northern District of California

No. C 05-01550 SI

Decided November 29, 2006

### PATENTS

#### [1] Patentability/Validity — Specification — Claim adequacy (§ 115.1109)

#### Patent construction — Claims — Functional (§ 125.1311)

Asserted claims directed to systems and methods for delivering personal information gathered from multiple Internet sources to one central Web site are not invalid "mixed method-apparatus claims," since claims use active language to describe capability of certain apparatuses, such as "computer readable storage device," "Internet Portal," and "Internet Portal application," without claiming activity itself, since claims, by describing what apparatuses do when used in certain way, place functional limitations on apparatuses, but they do not claim use of apparatuses, and thus do not recite both apparatus and method for its use, and since claims do not fail to apprise those skilled in art of what will constitute infringement, in that claims do not cover actions by users of described apparatuses, or reactions of apparatuses to user input, and infringement therefore occurs only through manufacture and sale of systems that have described functionality and capacity.

#### Particular patents — Electrical — Personal information access

6,405,245, Burson, Ulberg, and Freishtat, system and method for automated access to personal information, summary judgment of invalidity denied.

6,412,073, Rangan, method and apparatus for providing and maintaining a user-interactive portal system accessible via internet or other switched-packet-network, summary judgment of invalidity denied.

6,510,451, Wu, Inala, Satyavolu, Rangan, Rajan, Daswani, Rangarajan, Kern, and Kumar, system for completing a multi-component task initiated by a client involving Web sites without requiring interaction from the client, summary judgment of invalidity denied.

6,594,766, Rangan and Inala, method and apparatus for providing and maintaining a

user-interactive internet or summary judg

Action by Inc. for patent counterclaim of noninfringement. Denied.

David M. Redwood Cit

Daniel M. New York, N

Ilston, J.

Defendant judgment based on December Rule 7-1(b), is appropriate, and Visto's set forth motion. (Do

Plaintiff defendant C ment of six brought its judgment of adding three suit. The nine States Patent patent"), 6 6,510,451 ("the '042 patent"), 6 6,317,783 ("the '850 patent"). But all deal with personal information source ample, the end user to types of acc institutions individually each individual financial ins account.

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## v. CashEdge Inc.

U.S. District Court  
Southern District of California

No. C.05-01550 SI

Filed November 29, 2006

**Validity/Invalidity — Specification  
adequacy (§ 115.1109)**

**Construction — Claims — Func-  
tionality (§ 112.1311)**

claims directed to systems and  
providing personal information  
multiple Internet sources to one  
device are not invalid "mixed  
claims," since claims use  
to describe capability of cer-  
tain such as "computer readable  
"Internet Portal," and "Inter-  
action," without claiming what  
the claims, by describing what  
limitations on apparatuses,  
claim use of apparatuses, and  
both apparatus and method  
claims do not fail to ap-  
pear in art of what will consti-  
tute in that claims do not cover  
of described apparatuses, or  
apparatuses to user input, and in-  
teraction occurs only through  
use of systems that have de-  
tail and capacity.

**Claims — Electrical — Per-  
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for maintaining a user-  
system accessible via inter-  
net packet-network, sum-  
mary judgment denied.

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Sagarajan, Kern, and Ku-  
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step by a client involving  
requiring interaction from  
judgment of invalidity de-

and Malala, method and  
maintaining and

user-interactive portal system accessible via  
internet or other switched-packet-network,  
summary judgment of invalidity denied.

'766 patents, as indefinite pursuant to 35  
U.S.C. § 112 ¶ 2.

**LEGAL STANDARD**

**1. Summary Judgment**

"Summary judgment is appropriate in a  
patent case, as in other cases, when there is no  
genuine issue as to any material fact and the  
moving party is entitled to judgment as a mat-  
ter of law." *Nike Inc. v. Wolverine World  
Wide, Inc.*, 43 F.3d 644, 646 [33 USPQ2d  
1038] (Fed. Cir. 1994); Fed. R. Civ. P. 56(c).  
The moving party bears the initial burden of  
"informing the district court of the basis for  
its motion" and identifying the matter that "it  
believes demonstrate[s] the absence of a genu-  
ine issue of material fact." *Celotex Corp. v.  
Catrett*, 477 U.S. 317, 323, 106 S. Ct. 2548,  
2553 (1986). If the moving party meets this  
burden, the nonmoving party must then set  
forth "specific facts showing that there is a  
genuine issue for trial." Fed. R. Civ. P. 56(e);  
*see also T.W. Elec. Serv., Inc. v. Pacific Elec.  
Contractors Ass'n*, 809 F.2d 626, 630 (9th Cir.  
1987).

"Rule 56(c) requires the moving party to  
show not only the absence of a disputed issue  
of fact but also that he is entitled to judgment  
as a matter of law . . . [T]herefore, the court  
must . . . consider the burden of proof on the  
issue and where it will rest at trial . . . Where  
the moving party has the burden—the plaintiff  
on a claim for relief or the defendant on an af-  
firmative defense—his showing must be suffi-  
cient for the court to hold that no reasonable  
trier of fact could find other than for the mov-  
ing party." *Calderone v. United States*, 799  
F.2d 254, 259 (6th Cir. 1986) (quotations  
omitted).

The evidence presented by the parties in  
support of or opposition to a motion for sum-  
mary judgment must be admissible. *See* Fed.  
R. Civ. P. 56(e). In evaluating this evidence,  
the Court does not make credibility determi-  
nations or weigh conflicting evidence, and  
draws all inferences in the light most favor-  
able to the nonmoving party. *T.W. Elec. Serv.*,  
809 F.2d at 630-31 (citing *Matsushita Elec.  
Indus. Co. v. Zenith Radio Corp.*, 475 U.S.  
574 (1986)); *Ting v. United States*, 927 F.2d  
1504, 1509 (9th Cir. 1991).

**2. Invalidity and Indefiniteness**

A party seeking to invalidate a patent must  
overcome a presumption that the patent is  
valid. *See* 35 U.S.C. § 282; *United States  
Gypsum Co. v. National Gypsum Co.*, 74 F.3d

Action by Yodlee Inc. against CashEdge  
Inc. for patent infringement, in which defend-  
ant counterclaimed for declaratory judgment  
of noninfringement and invalidity. On defend-  
ant's motion for summary judgment of inval-  
idity. Denied.

David M. Barkan, of Fish & Richardson,  
Redwood City, Calif., for plaintiff.

Daniel M. Goldfisher, of Clifford Chance,  
New York, N.Y., for defendant.

**Hilston, J.**

Defendant CashEdge's motion for summary  
judgment based on invalidity is set for hearing  
on December 1, 2006. Pursuant to Civil Local  
Rule 7-1(b), the Court determines the matter  
is appropriate for resolution without oral argu-  
ment, and VACATES the hearing. For the rea-  
sons set forth below, the Court DENIES the  
motion. (Docket # 77)

**BACKGROUND**

Plaintiff Yodlee, Inc., brought suit against  
defendant CashEdge, Inc., alleging infringe-  
ment of six patents; CashEdge subsequently  
brought its own complaint for declaratory  
judgment of non-infringement and invalidity,  
adding three additional Yodlee patents to the  
suit. The nine patents now at issue are: United  
States Patent Nos. 6,199,077 ("the '077  
patent"), 6,633,910 ("the '910 patent"),  
6,510,451 ("the '451 patent"), 6,802,042  
("the '042 patent"), 6,412,073 ("the '073  
patent"), 6,594,766 ("the '766 patent"),  
6,317,783 ("the '783 patent"), 6,567,850  
("the '850 patent"), and 6,405,245 ("the '245  
patent"). Broadly speaking, the nine patents  
all deal with systems and methods to deliver  
personal information culled from multiple In-  
ternet sources to one central web site. For ex-  
ample, the technologies at issue allow for an  
end user to monitor information from several  
types of accounts held with different financial  
institutions on one website, without having to  
individually log into and navigate through  
each individual website associated with each  
financial institution with which the user has an  
account.

With the instant motion for summary judg-  
ment, defendant CashEdge seeks to invalidate  
many of the claims of the '245, '073, '451 and

1209, 1212 [37 USPQ2d 1388] (Fed. Cir. 1996); *Hibritech Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 1375 (Fed. Cir. 1986). This presumption places the burden on the challenging party to prove the patent's invalidity by clear and convincing evidence. *United States Gypsum Co.*, 74 F.3d at 1212.

35 U.S.C. § 112 requires that claims be particular and distinct. "The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention." 35 U.S.C. § 112 ¶ 2. The primary purpose of the requirement of definiteness is to provide warning to those skilled in the art of what will constitute infringement. See *United Carbon Co. v. Binney Co.*, 317 U.S. 228, 236 [55 USPQ 381] (1942). The definiteness standard is one of reasonableness under the circumstances, requiring that, in light of the teachings of the prior art and the invention at issue, the claims apprise those skilled in the art of the utilization and scope of the invention with a reasonable degree of precision and particularity. See *Shatterproof Glass Corp. v. Libbey-Owens Corp.*, 758 F.2d 613, 624 [225 USPQ 634] (Fed. Cir. 1985). "A determination of indefiniteness is a legal conclusion that is drawn from the court's performance of its duty as the construer of patent claims[, and] therefore, like claim construction, is a question of law." *Atmel Corp. v. Info. Storage Devices, Inc.*, 198 F.3d 1374, 1378 [53 USPQ2d 1225] (Fed. Cir. 1999).

### DISCUSSION

Defendant CashEdge argues that a majority of the patent claims at issue are invalid, as a matter of law, because they are indefinite. According to defendant, they are "mixed method-apparatus" claims, which the Federal Circuit found to be indefinite in *IPXL Holdings, L.L.C. v. Amazon.com, Inc.*, 430 F.3d 1377 [77 USPQ2d 1140] (Fed. Cir. 2005).

In *IPXL*, the Federal Circuit agreed with the Board of Patent Appeals and Interferences of the PTO, "that reciting both an apparatus and a method of using that apparatus renders a claim indefinite under section 112, paragraph 2." *Id.* at 1384. The court cited and followed a decision by the Board of Patent Appeals and Interferences, *Ex parte Lyell*, 17 U.S.P.Q.2d 1548 (BPAI 1990), which had invalidated as indefinite a claim whose preamble described the claim as "an automatic transmission tool

... and method for using same."<sup>1</sup> The Federal Circuit's *IPXL* case concurred with the analysis, explaining: "[A]s a result of the combination of two separate statutory classes of invention, a manufacturer or seller of the claimed apparatus would not know from the claim whether it might also be liable for contributory infringement because a buyer or user of the apparatus later performs the claimed method of using the apparatus." *Id.*

Based on this rule, the Federal Circuit affirmed the district court's invalidation of one of the claims at issue, claim 25, which stated:

The system of claim 2 [including an input means] wherein the predicted transaction information comprises both a transaction type and transaction parameters associated with that transaction type, and the user uses the input means to either change the predicted transaction information or accept the displayed transaction type and transaction parameters.

*Id.* (quoting patent) (emphasis added). The circuit court stated:

Thus, it is unclear whether infringement of claim 25 occurs when one creates a system that allows the user to change the predicted transaction information or accept the displayed transaction, or whether infringement occurs when the user actually uses the input means to change transaction information or uses the input means to accept a displayed transaction. Because claim 25 recites both a system and the method for us-

<sup>1</sup> The claim invalidated in *Ex parte Lyell* read as follows:

2. An automatic transmission tool in the form of a workstand and method for using same comprising:
  - a support means,
  - and [sic] internally splined sleeve affixed upright to said support means,
  - a threaded adjustment bolt threadably engaged through a hole in the bottom of said support means and projecting upward through said support frame into said sleeve,
  - and further comprising the steps of
    1. positioning the output end of an automatic transmission onto said upright sleeve,
    2. removing the internal components of said automatic transmission from the casing of said transmission,
    3. repairing and replacing said internal components back into said casing, and
    4. adjusting said internal components for fit and interference by means of adjusting said upwardly projecting adjustment bolt.

17 U.S.P.Q.2d at 1549 (emphasis added).

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*Id.*

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Dist LEXIS 4:  
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or using same.”<sup>1</sup> The Federal se concurred with the analy- [A]s a result of the combina- te statutory classes of inven- r or seller of the claimed not know from the claim also be liable for contribu- because a buyer or user of ter performs the claimed he apparatus.” *Id.*

rule, the Federal Circuit af- t court’s invalidation of one sue, claim 25, which stated:

claim 2 [including an input n the predicted transaction mprises both a transaction ction parameters associated ction type, and the user uses s to either change the pre- m information or accept the ction type and transaction

at) (emphasis added). The

ar whether infringement of when one creates a system user to change the predicted mation or accept the dis- on, or whether infringement : user actually uses the in- tange transaction informa- nput means to accept a dis- on. Because claim 25 re- em and the method for us-

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cing said internal components and nal components for fit and in- f adjusting said upwardly pro- t. (emphasis added).

ing that system, it does not apprise a person of ordinary skill in the art of its scope, and it is invalid under section 112, paragraph 2.

*Id.*

Several recent attempts to invalidate patent claims based on the *IPXL* mixed method-apparatus rule have been rejected, based on critical differences in the challenged claim language. For example, in *Collaboration Properties, Inc. v. Tandberg ASA*, 2006 U.S. Dist. LEXIS 42465 at \*1 [81 USPQ2d 1530] (N.D. Cal. June 23, 2006), Judge Patel rejected defendants’ attempt to invalidate the following claim:

1. A teleconferencing system for conducting a teleconference among a plurality of participants, comprising:

(a) a plurality of workstations, each workstation having first and second monitors and in communication with audio and video (AV) capture capabilities;

(b) a data path in communication with the plurality of workstations, over which data can be shared among the plurality of participants; and

(c) an AV path in communication with the plurality of workstations, along which AV signals, representing video images and spoken audio of the participants, can be carried;

wherein, the system is configured to reproduce images, based on data signals shared along the data path, on at least two first monitors so as to permit participants associated with the workstations having the two first monitors to interactively share the reproduced images and reproduce participant video images, based on AV signals carried along the second path, on at least two second monitors.

*Id.* at \*15-\*16 (emphasis added). Defendants argued that because the claim required the system to be “configured,” it improperly “injects method steps into the purported system claim,” and was therefore invalid under *IPXL*. *Id.* at \*16. Judge Patel rejected defendants’ argument, and distinguished *IPXL*, stating:

The problematic claim language in *IPXL Holdings* required that “the user uses the input means” to perform certain functions – an act. The language in the claims of the asserted patents, in contrast, requires that the system be “configured to” perform certain

function when it is used – a statement of functionality.

*Id.* The *IPXL* rule does not apply “where the claims require capability, but not actual use.” *Id.* at \*19.

In *Collegenet, Inc. v. XAP Corp.*, 2006 U.S. Dist. LEXIS 49760 at \*1040 (D. Or. July 17, 2006), the defendant sought to invalidate several claims based on the *IPXL* rule. In rejecting the defendant’s arguments, the district court explained the difference between an improper mixed method-apparatus claim, and a wholly appropriate, “functional limitation.” See *id.* at \*1062-63. “A ‘functional limitation’ is ‘an attempt to define something by what it does, rather than by what it is.’ ” *Id.* at \*1062 (quoting *Manual of Patent Examining Procedure* § 2173.05(g) (8th Ed., 2001, rev. 2005)). “[T]here is nothing inherently wrong with defining some part of an invention in functional terms. Function language does not, in and of itself, render a claim improper.” *Id.* (quoting *Manual* § 2173.05(g)).

[I] Plaintiff argues that, as in *Collaboration Properties* and *Collegenet*, the patents at issue here merely claim devices with functional limitations, and do not constitute invalid mixed method-apparatus claims, as in *IPXL*. The Court agrees. Unlike *IPXL*, the patents at issue here do not claim both an apparatus and a method for using that apparatus. The claims simply use active language to describe the capability of the apparatuses; they do not claim the activity itself.

For example, defendant first attacks claim 8 of the ‘245 patent, which states:

A computer-readable storage device storing instructions that upon execution cause a processor to automatically access personal information associated with an end user, wherein the personal information is stored on a personal information provider by performing the steps comprising of:

(a) presenting on a client computer associated with the end user and in communication with the personal information provider via a network a representation of personal information and a link corresponding to the personal information stored on the personal information provider;

(b) upon activation of the presented link, downloading an application to the client computer, wherein the downloaded application upon execution on the client computer performs the steps of:



- (i) connecting to the personal information provider;
- (ii) navigating to the personal information on the personal information provider using a protocol for instructing the client computer how to access the personal information via the network, the personal information accessible to the client computer using the protocol also being accessible by the end user via the network independently of automatic access by the processor of personal information caused by execution of the instructions; and
- (iii) presenting the personal information to the user of the client computer.

Patent '245 at 18:21-47 (emphasis added).

Defendant argues that because of paragraph (b), describing "activation of the presented link," "it cannot be known whether infringement . . . occurs when the computer-readable storage device is manufactured or sold, or whether infringement occurs when a user activates such a system's presented link, or both. Moreover, infringement of these claims can only take place by virtue of human interaction. . . ." Mot. at 8:21-24 (emphasis in original). Defendant's argument, however, is incorrect. The claim describes what happens "upon activation of the presented link." It does not seek to patent activation of the link; it seeks only to patent a device which performs certain functions if and when the link is activated. Infringement occurs when a device that has the capability of performing the steps described under paragraph (b) is manufactured and sold. Whether a user actually activates the link presented by the infringing device is of absolutely no import. Similarly, the process initiated by activating the link, need never take place. If the device presents such a link, and activating such link would initiate the process described under paragraph (b), the device infringes.

A simple analogy would be a claim which physically describes a pair of scissors designed to cut paper; then states, "upon opening and closing the sharp edges of the scissors on a piece of paper, the paper is cut." The language describes the capability of the scissors; it is function language. Infringement occurs upon the manufacturing and sale of scissors that are capable of cutting paper. The *IPXL* rule would apply only if the patent claimed the physical description of the scissors, then

stated within the same claim: "and the method of using said scissors to cut a piece of paper." The claims at issue here are analogous to the former example. They describe what the apparatuses do, when used a certain way. They do not claim *use* of the apparatuses. Thus, they do not "recit[e] both an apparatus and a method of using that apparatus." *IPXL*, 430 F.3d at 1384.

All of the claims challenged by defendant, like claim 8 of patent '245, place functional limitations on the apparatuses by describing the capabilities of the apparatuses. They are not invalid mixed method-apparatus claims. Claim 9 of patent '245 describes "[a] system for automated access to personal information associated with an end user." Patent '245 at 18:48-49. Like claim 8, it describes what the system does when "the presented link" is activated. *Id.* at 19:3. It does not require that the link be activated; it merely describes the function and capability of the system.

Similarly, claim 1 of the '073 patent describes the physical components of an "Internet Portal" apparatus, then states:

wherein the Portal, in response to log-on by a user from a user's Internet-connected appliance, presents a secure and personalized page for the user, the personalized page having a list of Internet destinations, pre-selected by the user and enabled by hyperlinks, wherein, upon invocation of a hyperlink by the user, the portal invokes a URL for the destination, and upon connection with the destination, transparently provides any required log-on information required for user access at the destination.

Patent '073 at 10:2-13.

Claim 18 of the '073 patent describes the physical aspects of an "Internet Portal software application" apparatus, then states:

wherein . . . upon invocation of a hyperlink by the associated user, the portal software invokes a URL for the destination, and upon connection with the destination, transparently provides any required log-on information for user access at the destination.

*Id.* at 11:11-24.

Claim 28 of the '073 patent claims an "Internet Portal software application" apparatus, then states the function of the apparatus:

wherein the portal application interacts with a browser plug-in executing on a subscriber's Internet-connected appliance, such that, when the user invokes a destination, pre-

selected by browser, at personal pages with the data necessary to the parent to the

*Id.* at 11:59-1:

Claim 1 of physical computer system," then

wherein the function of a multi-media client, without interacting with the computer programmer, third-party completion ages interaction, sites, gather integrates the final station.

Patent '451 at

Claims 1 and describe the "Internet Portal" function," then describes the apparatuses — i.e., takes certain a 10:53-11:6.

None of the *IPXL* rule. They cover both "[t]he use" which "the use" 1384. In *Ex. 7*, both "a word" same." 17 U.S.C. therefore, "a claimed apparatus claim whether tributary infringement of the apparatus method of use" F.3d at 1384. F. The claims at taken by users do they claim software to use how the software input by users, software and only through terms which has and capacity. claims. As Jud

same claim: "and the method sensors to cut a piece of paper." The issue here is analogous to the one in *IPXL*. They describe what the apparatus does in a certain way. They do not describe the apparatuses. Thus, they are not both an apparatus and a method apparatus." *IPXL*, 430

was challenged by defendant, patent '245, place functional components of the apparatuses by describing the apparatuses. They are not method-apparatus claims. Patent '245 describes "[a] system for access to personal information on an end user." Patent '245 at claim 8, it describes what the "presented link" is actually. It does not require that the apparatus merely describes the function of the system.

Claim 1 of the '073 patent describes the components of an "Internet apparatus," then states:

"In response to log-on by a user's Internet-connected apparatus, a secure and personalized page is displayed on the user's computer, the personalized page displaying Internet destinations, preselected by the user and enabled by hyperlinks. Upon invocation of a hyperlink, the portal invokes a URL, and upon connection to the URL, the portal transparently provides the user with on-line information required to access the destination."

13. Patent '073 describes the components of an "Internet Portal software apparatus," then states:

"Upon invocation of a hyperlink by a user, the portal software for the destination, and with the destination, transparently provides the user with any required log-on information to access the destination."

Patent '073 claims an "Internet application" apparatus, then states:

"The application interacts with a computing device, such as a personal computer, to execute on a subscribed appliance, such that, upon a user's selection of a destination, pre-

selected by the associate user, from the browser, accessing the associated user's personal page, the portal software cooperates with the browser plug-in to furnish the data necessary for a successful log-on transparent to the user.

*Id.* at 11:59-12:6.

Claim 1 of the '451 patent describes the physical components of an "Internet portal system," then states its function:

"wherein the software, in response to initiation of a multi-component task specified by the client, transparently to the client, and without interaction from the client defines the component tasks based on pre-programmed client-related data, identifies third-party Internet Web sources needed for completion of the tasks, performs and manages interaction with the identified Web sites, gathering results of the interactions, integrates the gathered results, and communicates final results to the client at the client station."

Patent '451 at 9:50-10:3.

Claims 1 and 11 of the '766 patent similarly describe the physical components of an "Internet Portal" and an "Internet Portal application," then describe the functions of those apparatuses — i.e., what happens when the user takes certain actions. Patent '766 at 10:10-28, 10:53-11:6.

None of these claims are invalid under the *IPXL* rule. The claim in *IPXL* purported to cover both "[t]he system," and the situation in which "the user uses" the system. 430 F.3d at 1384. In *Ex parte Lyell*, the claim covered both "a workstand and method for using same." 17 U.S.P.Q.2d at 1549. In those cases, therefore, "a manufacturer or seller of the claimed apparatus would not know from the claim whether it might also be liable for contributory infringement because a buyer or user of the apparatus later performs the claimed method of using the apparatus." *IPXL*, 430 F.3d at 1384. Here, there is no such confusion. The claims at issue do not cover the actions taken by users of the portals and software, nor do they claim the reactions of the portals and software to user input. Instead, they describe how the software and portals react to certain input by users, as functional limitations of the software and portals. Infringement occurs only through manufacturing and sale of systems which have the described functionality and capacity. *IPXL* does not apply to these claims. As Judge Patel stated, the *IPXL* rule

does not apply "where the claims require capability, but not actual use." *Collaboration Props.*, 2006 U.S. Dist. LEXIS 42465 at \*19.

Plaintiff's patents enjoy a presumption of validity, which may only be overcome by clear and convincing evidence. In this instance, defendant has not met its burden of establishing that the claims at issue fail to provide warning to those skilled in the art of what will constitute infringement. See *United Carbon Co. v. Binney Co.*, 317 U.S. 228, 236 [55 USPQ 381] (1942).

### CONCLUSION

For the foregoing reasons and for good cause shown, the Court DENIES defendant's motion for summary judgment of invalidity. (Docket No. 77)

IT IS SO ORDERED.

Berman v. Johnson

U.S. District Court  
Eastern District of Virginia  
No. 1:07cv39

Decided October 19, 2007

### COPYRIGHTS

#### [1] Rights in copyright; infringement — Ownership of copyright — Joint works (§ 213.0303)

Evidence supports jury's finding that plaintiff and defendant intended to be joint authors of documentary motion picture, and that plaintiff's contributions to film were independently copyrightable, since record includes testimony that parties discussed film as joint project, that plaintiff prepared "treatment" outlining essential elements of film, that plaintiff discussed treatment with defendant, and that co-plaintiff's involvement in film was based on film's anticipated adherence to treatment, that plaintiff drafted original questions for each of her interview subjects, that her interviews were incorporated into film, and that plaintiff drafted, compiled, and otherwise supplied significant amount of information about various groups and individuals featured in film.

#### [2] Rights in copyright; infringement — Ownership of copyright — Joint works (§ 213.0303)

"Authorship" of joint work is established by showing that each of putative coauthors